



# CIO GROUP CSR REPORT 2013



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# CSR

With the objective of communicating to our stakeholders the development of the company's Corporate Social Responsibility strategy, we present our 2013 CSR report. In this report, for the first time, we self-assess, being aware of the efforts of everyone at CIO, we have been able to achieve progress in our efforts, but we still have an exciting road ahead.

# 2013



# Letter from the president



For our second consecutive year I have the opportunity to address you and renew the strong commitment that CIO has to push forward our Social Responsibility.

Furthermore, for the first time we are doing it with the possibility of self-assessment, determining which have been our achievements throughout the year, and which challenges we have yet to accomplish, or are in the process of accomplishing. We are aware that we are just commencing a journey, and that we still have a long way to go before we reach our ultimate goal, being a more sustainable company.

However, we are also conscious that with this Corporate Social Responsibility 2013 report we strengthen a goal that would have never been possible without the effort of all of those who belong to CIO. So let me thank the effort that employees, supervisors and managers have put in to make a success of this project, and to be better prepared to continue leading in the sector we serve. Because we know that only committed to innovation and sustainability entrepreneurship we provide an adequate response to the expectations demanded by our economic, environmental and social surroundings.

Sincerely,

A blue ink handwritten signature, appearing to be 'Francisco Zamorano', written in a cursive style.

Francisco Javier Zamorano  
PRESIDENT CIO GROUP.





# CIO, Compañía de las Islas Occidentales

In order to get to know CIO, which has steadily progressed through the 21st century, it is necessary to look at its history and observe the details of the reputed business career of the Zamorano Tais Family.

The Zamorano family comes from an important lineage of industrialists. They began their activity in 1850 in the tobacco sector, developing factories and warehouses in Santa Cruz of Tenerife. Involved from the beginning in the social and economic development of The Canary Islands, its team of directors created ties with Europe and South America, importing new technology and participating in pioneering sectors. The testimony of this "industrial" curiosity has continued until today with the descendents of Mr. Luis Zamorano Tais, founder and first president of the Record factory – since 1949 Centro Industrial de Tabaqueros Asociados (CITA) – which popularized with great success some of the leading Spanish tobacco brands.

As well as CITA, Mr. Luis Zamorano also drove businesses in different fields, with companies such as 7 mares, Montesano, Frigoten (frozen



products sector), Galeria Ganigo (art gallery) and the supermarket San Antonio, amongst others.

Additionally, the activity of Aguas de Vilaflor (AVISA) began in 1975 with a bottled water plant, producing a brand, which later became the market leader in the Canary Islands, known today as Fuentalta.

In the early 90's, the entrepreneurial character of the Zamorano Family is once again manifest when they take on the expansion of its activities and the diversification into new projects, this time within a new sector, the tourism sector. In 1993 the company inaugurates an unprecedented project: the Gran Hotel Bahía del Duque Resort, demonstrating once again its own personal touch with the perfect union between innovation and tradition. Continuing the development of this Resort, in 2008 the company opened the Villas, which dispose of spaces and services of exclusive use for its clients. In 2009 the Spa Bahía del Duque was added to the Resort, the only thalassotherapy centre of its characteristics in The Canary Islands, due to its facilities and the quality of its rituals and treatments and which has won numerous national and international awards. The brand The Tais Collection was born throughout

this path and focuses on opening an international route with future tourism projects.

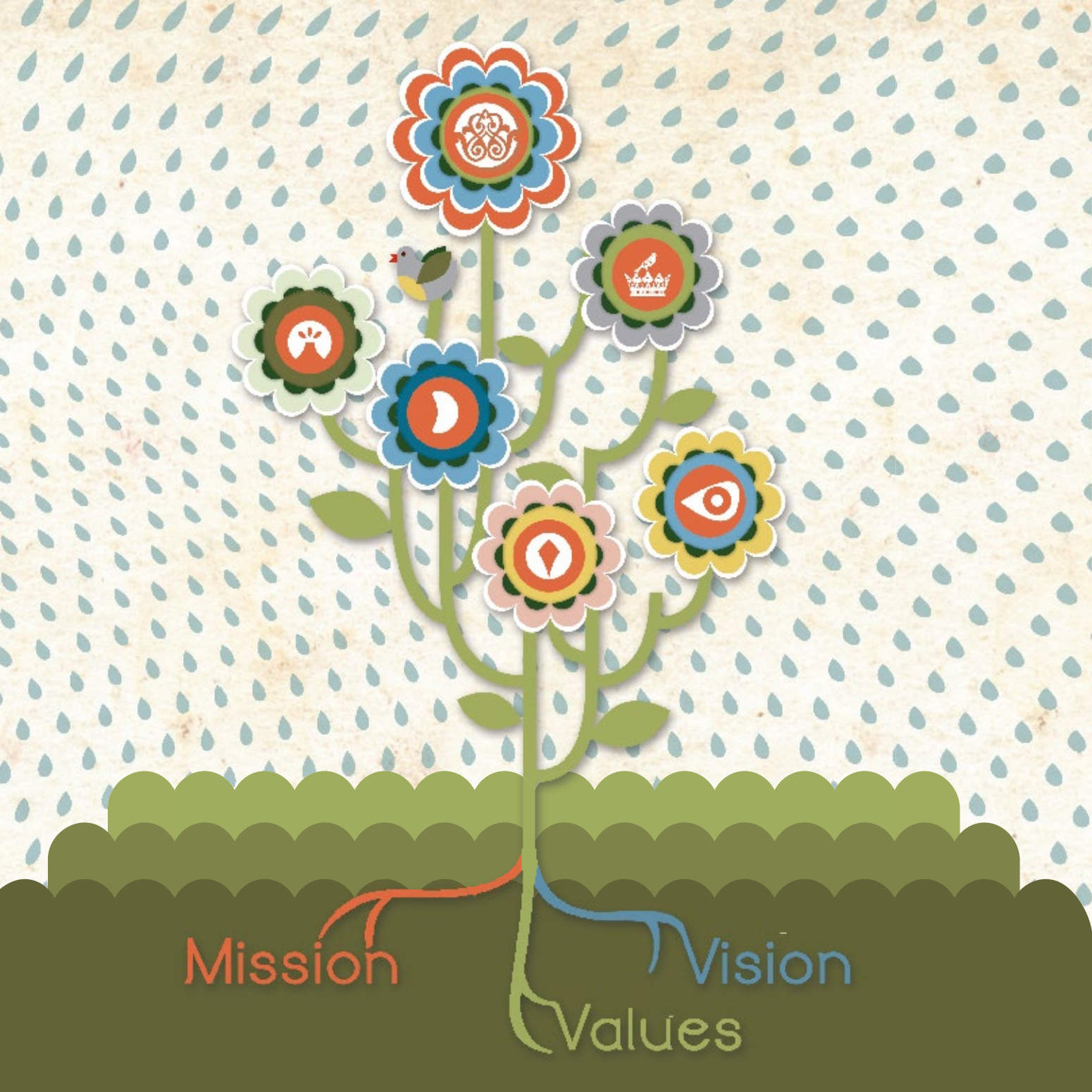
In 2005, the Zamorano family sold their participation in CITA to the multinational company Gallagher, and grouped the rest of the companies in CIO, Compañía de las Islas Occidentales, focusing its activities towards the following sectors; tourism, real estate, financial, services and industrial.

Today, CIO Group plans, creates and manages hotels and resorts, as well as general and safety services, business and industries, and soon they will have spent over 40 years bottling and distributing mineral water for The Canary Islands. At the same time, they manage real estate assets in Tenerife, with the "Real Estate Group Islas Occidentales", for industrial and residential sectors (buildings and industrial buildings in the metropolitan area, mainly).

As a company, we secure our corporate philosophy in our values, mission and vision because they describe our personality, our sensibilities and our concerns; in short, they guide us and are vitally important to understand who we are and how we work in CIO.







# Mission, vision, values



As a Company, we secure our corporate philosophy in the values, mission and vision that describe our personality, sensibilities and concerns; in short, they guide us and are vitally important to understand who we are and how we work in CIO.

**Mission:**

We are a Canarian business group with a long family tradition and a clear international vocation, that operates in various sectors and that with the team of professionals on hand, offers the best service and the most innovative products, with the objective of constantly improving our clients expectations.

**Vision:**

Consolidate our position in the sectors we lead and invest in international expansion whilst maintaining our seal of excellence and innovation in the products and the services we offer.

Our Company has excelled in past decades for its vision, for which we have set ourselves the goal to remain pioneers in incorporating technological advances and in respecting the environment that surrounds us, and which we will continue to value.

Furthermore, we want our family values to infuse our employees and have them feel proud of being a part of this company.



## Values:

- **Family Values:** The family tradition is a hallmark that has been present in our entire business career and in the projects which have been developed since its inception in 1850 by the Zamorano Tais family. Thus, this is an inherent quality of our brand.
- **Value of the human factor:** The value given to the people that comprise CIO and which make possible its existence acquires great relevance in the philosophy. The professionals who make up this company are those who, with their talent, dedication and effort, have made possible each of the challenges we have set. They are the people, individually and collectively, which enable sustainable and balanced growth with the environment.
- **Strong customer focus:** Customers are the source and engine of our entire activity. The commitment to them is one of the pillars on which the CIO business career rests. Meeting customer expectations, and even aspiring to surpass them, is the main objective of the professionals of CIO. In order to obtain this objective, we focus all our working ability, dedication and experience.
- **Quality and rigor in our service:** By committing to high standards of quality it's possible to surpass our clients' expectations. This is why we focus our strengths in developing tools, which guarantee the highest standards of quality.
- **Commitment:** We work with the philosophy that a product or service that we offer is a promise to our clients, a promise we are committed to delivering. This premise is part of our identity.
- **Innovation:** Our vocation of leadership has led to an unequivocal commitment to innovation in all of the management processes, products and services. We believe that innovation is the way to move forward and grow our organization, thanks to the talent provided by a qualified team.
- **Dynamism and versatility:** Being committed to serving as an innovative company implies the daily questioning of whether what you are doing can be achieved in a different, more effective way, in order to find new solutions to the challenges posed to our company. This requires very dynamic and versatile management skills that adapt to the needs of the moment.

# What we want to achieve with this report?

With this Corporate Social Responsibility report we want to present our concerns in order to achieve a more sustainable business development in social, environmental and economic areas. Thus, we intend to establish a more open dialogue with our stakeholders and, integrate their expectations and needs in our goals.

This report disseminates our reality on SR, in terms of the commitments we have made and which will be priorities to improve our commitment to sustainability. Also, to accomplish these goals we wish to have the cooperation and trust of our various stakeholders.

We are aware that we have a long way ahead of us and, as a result of this concern, last year we began a new stage, and implemented a specific strategy. We are confident that we will achieve higher levels of efficiency in the effort to reach a more sustainable development for our organization.

It is essential to sort the good practices and integrated them in a realistic plan which assumes as goals

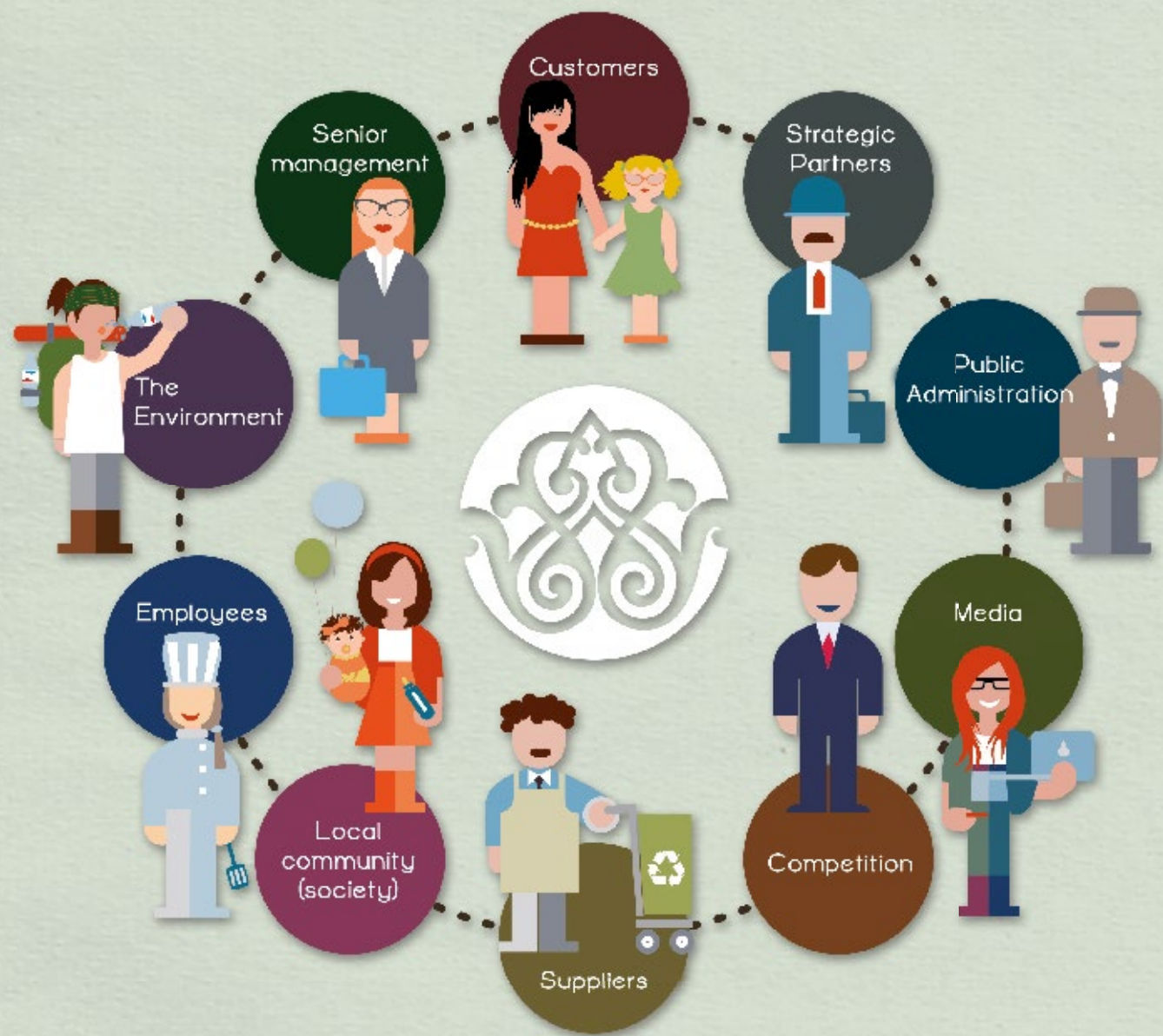


the expectations which emanate from our own work philosophy, but also those of the stakeholders with whom we interact, because their expectations and demands are also ours.

With this report, we present and assume commitments aligned with the principles and values of responsibility as part of our history, family and corporate culture, in order to ensure fair behaviour towards society and the environment.

This memory is also seen as an x-ray of the degree of implementation of actions raised during the past period, where we collect those challenges we set ourselves and have accomplished, but far from complacent, it also defines areas for improvement or which we have failed to meet. Therefore, we propose herein as the key to the development of tools that allow us to propose new goals and guide us in the effort to reach them, and as a reflection of our performance in this fundamental goal of being more sustainable every day.





# Who is the report for?

To push our CSR and to improve our relationship with our social, environmental and economic surroundings, we want to address all those with whom we interact, which are none other than our stakeholders, who make possible our existence and growth as an organization.

Therefore, from Compañía de las Islas Occidentales we work to identify who are that stakeholders to adequately understand the needs and expectations they have in the area of Social Responsibility, only then will we meet the objectives, strategic guidelines and commitments assumed.

In an effort to make it as effective as possible we want to maintain constant dialogue with all of them, we have established a classification for the degree of impact these can have on the Social Responsibility actions we intend to carry out.



They are the first prescribers of our company values, and whose opinion gives us the highest degree of credibility. We are committed to encouraging internal communication and human resources as pillars on which to support a more fluid and effective dialogue.

Together with our employees, they represent our two main stakeholders. So much so that when we describe the corporate values, we find that one of them is "strong customer focus", confirming that for our organization: "To fulfill the expectations of their customers- even aspiring to surpass them-is the main objective of the professionals that make up Compañía de las Islas Occidentales".



No Social Responsibility action is possible if the needs of the social surroundings are not taken into account as a priority. Therefore, we have spent years promoting and collaborating with social development initiatives and will continue as a hallmark of our identity.



Moreover, talking about social responsibility, we should not ignore the impact that the actions of the company can generate in future generations. The concern for preserving the natural environment and the sustainable development model revolves around the concept of "legacy for future generations." We consider these generations to come as an interest group in the present time.



The inclusion of this group is mainly to assure the impulse of the organizational change as it relates to Social Responsibility; by establishing a policy of ethical and responsible management from a social point of view, a code of conduct, anti-corruption policy and the creation of a Social Responsibility committee, to ensure compliance with the commitments made.



The environmental setting, although by their nature should not be included within our interest group, it's important to note the direct impact can have towards the company if it is not respected.



The direct and constant contact of our suppliers with the company also turns them into prescribers of the values we project from a corporate perspective, and especially in what relates to Social Responsibility. Therefore, they must have a clear idea of who we are and what we are not. We also need to understand the expectations that our suppliers have and our commitment to adapt to the requirements imposed by the values of the company.



In this two-way flow, the projection of corporate values is key in order to develop an appropriate balance of power and mutual understanding when creating the projects of common interest.



If as an organization we aim to be recognized for our leadership and self-sufficiency, we must establish a strengthened relationship with the government and public institutions.

They are our principal intermediaries with society. The relationship with the media should project as a whole and each communicative action must be prepared individually.



It is important to take advantage of opportunities in the media and be fully confident that the image projected is what the company wants. Moreover, in this day and age it is essential to move forward and adapt and make the most of the new lines of communication with the media.



Competition is part of the interrelatedness of all companies with their environment. Setting it as a stakeholder in the strategic planning of our Social Responsibility aims to promote cooperation and partnership among competing organizations. It is part of our ideology to promote fair competition and conflict resolution through arbitration.





## The report in headlines

- This 2013 report, we expose and assume commitments aligned with the principles and values of our CSR and our family and corporate culture to ensure loyal behaviour towards society and the environment.
- It is essential to maintain that which has characterized and differentiated us: our seal of excellence in the products and services which we offer, thanks to the great value of our company and our team, which is constantly seeing more sustainable business models.
- We will continue to strive to make our employees feel proud to belong to this company.
- Family culture is a hallmark present throughout the business career of CIO and of its developed projects since its inception in 1850 by the family Zamorano Tais.
- The professionals who make up this company are those who, with their talent, dedication and effort have made possible each of the challenges we have set.
- Only with commitment to quality and thoroughness is it possible to exceed the expectations of customers.
- We work with the approach that a product or service that we offer is a promise to our customers.
- We believe that innovation is the path that allows us to move forward and grow, thanks to the talent provided by a qualified team.
- We are aware that we have a long way to go and, as a result of this concern, we have immersed ourselves in a new era in which social responsibility is concerned, investing in the implementation of a specific strategy in our company.
- It seems essential to sort the good practices and integrate them into a realistic plan which assumes as goals the expectations emanating from, not only our own way of working, but also those of the stakeholders with whom we interact.
- There is no Social Responsibility action possible if you do not take into account first the needs of the social environment in which the business operates.



# Actions 2013

Once again, throughout 2013, Corporate Social Responsibility of the CIO Group has had as its central pillar its employees, as they are main participants of the social and environmental projects we develop. Involved in tasks such as charity drives and social volunteering, seeing first hand the problems of the most disadvantaged sectors of our community, or participating in different yearly events of energy awareness either locally or globally. From this point of view, we can be proud to have a team that constantly demonstrates great social and environmental awareness. One of the most rewarding experiences of this year has been the Corporate Volunteering, which joined our main characters in social work; the employees and the most disadvantaged sectors of our society.

Furthermore, last year we renewed our compromise with different organizations, collaborating again as Partners in the activities they develop.

- RED CROSS
- SOS CHILDREN'S VILLAGES
- ACTION AID
- CÁRITAS
- JOSEP CARRERAS FOUNDATION
- ADENA WWF
- BEN MAGEC - ECOLOGISTS IN ACTION





# Contribution to the community 2013



## GRUPO CIO

- Sponsoring a child with Action Aid, by the employees of CIO.
- Collecting non-perishable food items by employees to REGALANDO ILUSIONES, Garachico.
- Collecting non-perishable food items by employees to BANCO DE ALIMENTOS.
- Cultural sponsoring of "40 years of Sculpture". Santa Cruz de Tenerife.
- Collaboration with REMAR, promoting the company among employees.
- Participation in Corporate Volunteer Day at the University of La Laguna, organized by the Platform Volunteer Tenerife, to publicize the experience from collaborating companies.





## GRAN HOTEL BAHÍA DEL DUQUE RESORT

- Continuation of the project *"What can you do with a Euro?"* from Action Aid for the 16<sup>th</sup> consecutive year. The sponsoring of 40 children in seven different countries and the construction of infrastructure for their communities with the contributions made by the clients of the Hotel. 40 hotel employees maintain correspondence with the sponsored children.
- Volunteering by the manager of CSR in a community in Peru, to collaborate in the field with Action Aid on the *"What can you do with a Euro?"* project.
- Donations of bedding and bathroom products to different charities, such as; THE RED CROSS, SONRISAS DE CANARIAS, NUEVO FUTURO AND ATEM (Multiple Sclerosis).
- Toy Collection by the Hotels employees for the fundraiser organized by Trisonomico 21 in collaboration with the city of La Laguna.
- Donation of non-perishable food by employees.
- Collection of non-perishable food by all employees of the CIO group (Christmas Campaign). FOOD BANK.
- Participation in a charity football match organized by All Star Tournament Tenerife Top Training and ASHOTEL, with proceeds going to CARITAS.
- Tennis and Paddle Tournament "Raquetas Solidarias" held to fundraise for the SONSOLES SORIANO FOUNDATION
- Collaboration with REMAR, promoting the company among employees.
- Tejer Porvenir, project in collaboration with the SOCIEDAD DE DESARROLLO DEL AYUNTAMIENTO DE SANTA CRUZ DE TENERIFE, for the employment of people at risk of social exclusion. Donation of upholstery fabrics for the sewing Workshops that were held. The material is donated to IMAS.
- Charity market held with the employees of the hotel to help with the event Amigos de Vitolo, a project oriented towards helping children in The Canary Islands with terminal illnesses.

- Sale in the hotel's drugstore:
  - Custom boxes, notebooks, bookmarks, photo albums, etc, created in the Workshops of TRISONÓMICOS 21.
  - Bags and totes created in the Workshops of the Down's Syndrome Association AFANIAS.
  - Free trade snacks provided by EL SURCO.
- 10 giveaways of one free night in the Hotel given out for different entities in their annual charity benefits.



## FUENTEALTA

- Renewal of the collaboration agreement with the AECC.
- Official water of the CLUB DEPORTIVO TENERIFE.
- Official water of IBEROSTAR TENERIFE (CB Canarias).
- Instagram contest # turinconfavorito.
- II Paddle Tournament sponsor.
- Sponsor and official water of the Maria Auxiliadora Cross.
- Official water of the Exhibition Plástico.
- Sponsor and official water of the Tenerife Design Festival and Pecha Kucha Night.
- Collaboration with the music festival Keroxen.
- Sponsor and official water of the Canarias Surf Film Festival.
- 2013 Fuentealta calendar, for the promotion of Canarian artists.
- Toy collection for the Trisonomicos 21.
- Food Drive by the employees of the CIO Group for the FOOD BANK.



- Food drive by the employees of CIO for the project REGALANDO ILUSIONES, Garachico.
- Water bottles given at breakfast during the Tejer Porvenir Workshops.
- Corporate Volunteering with NUEVO FUTURO.
- Hashtag event with the AECC for the Day Against Cancer.
- Donation of water bottles for the tennis and paddle events Raquetas Solidarias.
- Donation of water bottles for the Benefit Dinner SONSOLES SORIANO FOUNDATION.
- Solidarity marathon for MÍRAME TV, donations on behalf of the employees and on behalf of FUENTEALTA.
- Financial donation for the project AMIGOS DE VITOLLO.
- Water bottles donated to the VILAFLOL TOWNHALL for yearly events.
- Contribution to the school in Vilaflor to purchase materials for their sports activities.
- Food collection campaign among employees for the Christmas Campaign 2013. FOOD BANK.
- Collaboration with REMAR, promoting their company among the employees.

**Collaborations indifferent sporting, benefit and cultural events:  
46.500 litres.**

**Fixed Sponsorships: 145.000 litres.**

**With a total of: 191.500 litres.**

Organizations to which they provide with water throughout the year:

- SOS CHILDREN'S VILLAGES.
- AHETE (Haemophilia Association of Tenerife).
- PARKINSON TENERIFE.
- TRISÓMICOS21 (Down's Syndrome Association, Tenerife).
- ADEMI (Sporting Association for persons with disabilities).

- COD (Official Dentist's Association).
- APANATE (Parent Association for People with Autism).
- SONSOLES SORIANO AND REMAR GUARDIAN FOUNDATIONS.
- AECC (Spanish Association against Cancer).



## GRUPO RECORD

- Collection of non-perishable food items from all employees of the CIO group (Christmas Campaign). FOOD BANK.
- Volunteering in the organization of AECC events.
- Collaboration with REMAR, promoting the company among employees.



## GRUPO INMOBILIARIO ISLAS OCCIDENTALES

- Collection of non-perishable food items from all employees of the CIO group (Christmas Campaign). FOOD BANK.
- Collaboration with REMAR, promoting the company among employees. Collection of non-perishable food items from all employees of the CIO group (Christmas Campaign). FOOD BANK.
- Collaboration with REMAR, promoting the company among employees.



## TASCA EL CALLEJÓN

- Collection of non-perishable food items from all employees of the CIO group (Christmas Campaign). FOOD BANK.
- Collaboration with REMAR, promoting the company among employees.
- Inauguration of "La Hucha Solidaria" for TRISOMICOS21 and sales of their calendars 2014.
- Gift voucher for one dinner offered by the Namasté NGO, during an event for the children of Nepal.





# Environment and climate change 2013



## GRAN HOTEL BAHÍA DEL DUQUE RESORT

- Course "Awareness & Environmental Management in Tourist Establishments" Ahmed at mid-level Management and executives. The course's objectives were:
  - To acquire the knowledge and skills needed to improve environmental practices in the workplace.
  - Increase the level of awareness of the environment.
  - Know the environmental aspects and impacts as well as environmental legislation applicable to the workplace.



- The hotel was awarded the BIOSPHERE SEAL. Obtained in July 2011 and renewed in June and July 2013.



- GOLD TRAVELIFE AWARD. Obtained in September 2011 and renewed in August 2012.

- Awarded the TUI UMWELT CHAMPION (ENVIRONMENTAL CHAMPION). Obtained in September 2012 and August 2013
- Agreement with the Foundation ATARETACO for the collection of waste.
- Agreement with the FOUNDATION CANARIAS RECYCLES for the management of the WEEE and the correct recycling of electric and electronic equipment through an integrated Management system.





- Use of green cleaning products ECOLAB (cleaning chemicals).

What has allowed mayor expense and chemical cost savings. Considerable decrease in the number of containers by reusing durable and recyclable containers, and consequent reduction of chemical waste by using feeders.

The containers are printed in order to not use labels which can get lost in the process. They are ergonomic and their application systems (in the case of the most aggressive) have spray foam, which prevents the product getting into the air or splashing the operator or the environment, and thus avoiding accidents.



- Incorporating ergonomic impregnation scrubbing system (TTS):

Originally designed to prevent contamination between rooms and areas, this ergonomic system prevents back, wrist and shoulder problems; furthermore this system avoids contact with liquids and with dirt on the cloths.

It allows for considerable less use of water in everyday cleaning procedures, due to the levels of absorption in the mop. Cost savings also occur thanks to a longer lasting product and less water usage.

- Joining the climate change event Earth Hour, WWF.
- Joined the initiative Night in Black by the Pardela Cenicienta, by minimizing the impact of artificial light, by turning off the lights for three hours.



## FUENTEALTA

- Decrease in the packaging weight of the plastic bottles and caps, which has allowed a reduction of the consumption of such materials by about 85.000kgs, and thus avoiding the manufacturing of 3.600.000 containers of PET.
- Agreement with the supplier of preforms for the delivery of 100% of the packaging (cardboard boxes and pallets), our own as well as those from third parties suppliers for re-use.

- Selective collection of cardboard and glass from the factory, as well as dangerous products, such as oils and lubricants, empty containers with chemical products, batteries, fluorescent lamps, etc..
- Replacing the burner from the boiler by a much more efficient one, allowing us to save on fuel consumption and significantly lowering atmospheric emissions.
- Change to energy efficient lighting in the factory.
- Agreement with the supplier of the collection of carton and plastic from the warehouses in the north and the south.
- Substitution in the South Warehouse to energy efficient lighting.
- Treatment of the water used in washing the boxes and glass containers, for its re-use in agricultural fields. This provides the recycling of over 10.000m<sup>3</sup> of water per year.



## GRUPO RECORD

- Organic products Texture Care from ECOLAB (Cleaning Chemicals). Which has allowed a greater chemical and dosage adjustment efficiency, washing at a lower temperature and in less time, and even improving the quality and hygiene of the clothes and getting double energy efficiency, first in saving water heating and second in the decrease in energy expenditure.



## GRUPO INMOBILIARIO ISLAS OCCIDENTALES

- Substituting the lamps for energy efficient ones, as well as the installation of fire retardant cables.
- Improved energy efficiency:
  - Improved roof insulation.
  - Replacement of the other internal joinery with better insulation.



## TASCA EL CALLEJÓN

- Selective waste recycling. Containers, cardboard and glass.
- Substitution to energy efficient lighting.





# Behaviour towards the employees 2013



## GRUPO CIO

- Launch of an employee online portal.
- Special discounts on company products.
- Special recognition to those employees with more than 10 years in the Company.
- Increase in the employment of personnel with disabilities.
- Preventive Information: AECC, monthly newsletter "Solidarity in the Company" for all the employees.



## GRAN HOTEL BAHÍA DEL DUQUE RESORT

- Launch of an employee online portal.
- Special discounts on company products.
- Special recognition to those employees with more than 10 years in the Company.
- Incorporation of an ergonomic impregnation scrubbing system (TTS): Originally designed to prevent contamination between rooms and areas, this ergonomic system prevents back, wrist and shoulder problems; furthermore this system avoids contact with liquids and with dirt on the cloths.
- Preventive Information: AECC, monthly newsletter for the employees with tips and measures to prevent cancer.



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## TASCA EL CALLEJÓN

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- Special recognition to those employees with more than 10 years in the Company.
- Increase in the employment of personnel with disabilities.





# Distinctions 2013

We take this opportunity to thank the organizations and institutions that have considered us worthy of a distinction during 2013.



TUI Environmental Champion 2013, granted to the Gran Hotel Bahía del Duque.



GOLD TRAVELIFE AWARD.



Renewal of the Biosphere Seal awarded to the Gran Hotel Bahía del Duque, for a third consecutive year.

# Challenges 2014





# Contribution to the community 2014



## FUENTEALTA

- Signing of a collaboration agreement with the FOUNDATION CANARIAS RECYCLES for the provision of equipment and obsolete facilities.
- Renewal of agreements with various NGO's.
- Stable sponsorships of various sporting teams, both male and female, and with special interest in the "base" categories (children).
- Support during cultural, charity and sporting events.



## GRUPO RECORD

- Employment of an administrative assistant with disabilities for the development of the new line of business RECORD I.M.A.T.
- Donation of hours of Security Service for the AECC.
- Collection of non-perishable food items by the employees of CIO. FOOD BANK.
- Recruitment of at least two laundry workers with disabilities.



## GRUPO INMOBILIARIO ISLAS OCCIDENTALES

- Adaptation of the stairs for people with reduced mobility.
- Collaboration with organizations such as REMAR, in the donation of furniture to be sold in their markets.
- Enhance employee collaboration in cooperative activities with entities such as FOOD BANK or social volunteering.



## TASCA EL CALLEJÓN

- Cooking Workshops organized for people with disabilities.
- Collection of non-perishable food items by the employees of CIO. FOOD BANK
- Renewal of the agreement with the Association TRISONOMICOS 21.





# Environment and climate change 2014



## GRUPO CIO

- Installing recycling bins in common areas of the headquarters of the CIO group.



## GRAN HOTEL BAHÍA DEL DUQUE RESORT

- Continued training in Environmental Management Awareness in Tourism Establishments aimed at maintenance areas, pools and Spa.
- Implementation of an electronic document of procedures to encourage savings in paper consumption and consequent cost savings.
- Renewal of the BIOSPHERE Seal, GOLD TRAVELIFE AWARD AND THE TUI UMWELTCHAMPION AWARD.
- Installing recycling bins in common areas of the headquarters of the Hotel.



## FUENTEALTA

- Improvement of the policy of reducing the consumption of materials, either by packaging weight loss or by improving processes to prevent spoilage.
- Conducting a study to Improve Energy Efficiency in order to have an strategy in the short term.
- Expand and improve separate collection of materials in both factory and warehouses.
- Installing recycling bins in all common areas.
- Initiating the process of accreditation in some of the Quality Control Systems such as (IFS, ISO, etc.)





## GRUPO RECORD

- Purchase of corporate merchandising using recycled materials.
- Continue with the use of environmentally friendly cleaning products, ECOLAB.
- Installation of a system of filtering and re-use of water.
- Use of energy efficient lighting.
- Change in the operating manual of the laundry service, reducing the hours of use of the machinery.
- Improving the efficiency in the ironing, drying and heating Systems, thus reducing the use of diesel.



## GRUPO INMOBILIARIO ISLAS OCCIDENTALES

- Use of energy efficient lighting in the common areas.
- Strengthen and improve the separate collection of waste.
- Improvement of the energy class of our properties, through the renovation of materials.



## TASCA EL CALLEJÓN

- Become more efficient in the collection of recyclable waste.
- Increase employee training to continue with the awareness of CSR initiatives.

# Behaviour towards the employees 2014







## GRUPO CIO

- Integration of the communication area in the employee portal.
- Increase the products on offer for employees.
- Implement a welcome procedure for new arrivals.
- Work environment analysis.
- Implementation of Employee of the Month.
- Team building initiatives for the team of Directors.
- Implementation of "Best Place to Work".



## GRAN HOTEL BAHÍA DEL DUQUE RESORT

- Improve the Communication channels using:
  - Launch of an employee online portal.
  - More effective use, by the HR department, of the Intranet.
  - Incorporate a Suggestion Box.
  - Development of a Suggestions Plan.
- Team building initiatives for the team of Directors.
- Implementation of "Best Place to Work".



## FUENTEALTA

- Integration of the communication area in the employee portal.
- Increase the products on offer for employees.
- Implement a welcome procedure for new arrivals.
- Work environment analysis.
- Implementation of Employee of the Month.
- Team building initiatives for the team of Directors.
- Implementation of "Best Place to Work".



## GRUPO RECORD

- Integration of the communication area in the employee portal.
- Increase the products on offer for employees.
- Implement a welcome procedure for new arrivals.
- Work environment analysis.
- Implementation of Employee of the Month.
- Team building initiatives for the team of Directors.
- Implementation of "Best Place to Work".
- Christmas greeting card contests for the children of the Group's employees.
- Specialized training for Maintenance personnel.
- Specialized training in team Management and HR in mid-level Management.



## GRUPO INMOBILIARIO ISLAS OCCIDENTALES

- Integration of the communication area in the employee portal.
- Increase the products on offer for employees.
- Implement a welcome procedure for new arrivals.
- Work environment analysis.
- Implementation of Employee of the Month.
- Team building initiatives for the team of Directors.
- Implementation of "Best Place to Work".



## TASCA EL CALLEJÓN

- Integration of the communication area in the employee portal.
- Increase the products on offer for employees.
- Implement a welcome procedure for new arrivals.
- Work environment analysis.
- Implementation of Employee of the Month.
- Team building initiatives for the team of Directors.
- Implementation of "Best Place to Work".







# Our CSR Strategy

## The beginning of an exciting journey

The result of our growth as a company, and how we conceive the business development -always underpinned by our values as an organization- and our mission and vision, last year we came to the conclusion that we should start a new phase. A new and exciting phase as well as compromising because we considered that in order to continue improving day by day as an organization, we should promote the sustainable development of our social, environmental and economic environment.

With this conviction, we made important decisions to advance the momentum of our Corporate Social Responsibility in 2012 by launching the first strategic plan for Social Responsibility of Compañía de las Islas Occidentales (CIO).

We publicly announce these measures, to assume a series of commitments, because commitments which are the ultimate expression that any organization can do to boost their Social Responsibility. By doing so publicly, we demonstrate that for us facts are important, not just words. In addition, these commitments draw a roadmap that will enable the implementation of concrete actions that aim to be more sustainable company; and our stakeholders are those who evaluate us year after year to see if we are on the right track.

We support these commitments with available resources, such as human, technical and economic, tracking and evaluating our actions that allow us to implement the corrections required to achieve them.

These commitments have been classified based on the different stakeholder groups. This way, we can move forward in meeting the demands and expectations that they have regarding Social Responsibility.

The way in which, over the past year, we have evaluated our level of performance in meeting commitments, has been using a colour code with the following meaning:

-  SATISFACTORY
-  IMPROVABLE
-  UNSATISFACTORY

In addition we have classified them according to the development achieved in each of our businesses, which are represented by their logo:

- |                                                                                       |                                                                                       |                                                                                       |                                                                                       |                                                                                       |                                                                                       |
|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
|  |  |  |  |  |  |
| Grupo CIO                                                                             | Gran Hotel Bahía del Duque Resort                                                     | Fuentealta                                                                            | Grupo Record                                                                          | Grupo Inmobiliario de las Islas Occidentales                                          | Tasca El Callejón                                                                     |



## GENERAL COMMITMENTS

Are addressed to all stakeholders in general.

COMMITMENT 1						
1. Defining a CSR policy for Compañía de las Islas Occidentales. Our first step is to assume that we need to have a social responsibility policy defined in our company.						
COMMITMENT 2						
2. Creating a CSR Committee comprised of people from the different companies of CIO. We commit to creating a CSR committee, which will ensure the organizational model is followed. For us, it's another unwavering pledge which helps guarantee the motivation of the CSR plan.						
COMMITMENT 3						
3. All companies will define their strategy and CSR action plan in line with CIO. Each of our companies must have their own strategy on CSR, adapted to their reality and sector with which to build an implementation plan in due time. Furthermore, this strategy will be aligned with the fundamentals and principals of CIO's strategic plan on corporate social responsibility.						

## COMMITMENTS TO OUR EMPLOYEES

Understanding the needs of our employees is critical to achieve any CSR strategy. As seen in this report, we consider our employees the main prescribers of the company, if we fail to meet their expectations, it will be very difficult to be credible with other stakeholders. Therefore, the performance of this set of commitments acquires great relevance for us.

COMMITMENT 1						
1. Talent Management Programme in CIO.  The establishment of a fluid dialogue channel not only enable employees to meet their needs and expectations, it will allow us to better manage the talent that we have and it is essential for the development of CIO. To do this, we will work to establish a specific program.						
COMMITMENT 2						
2. Improving labor conciliation with specific protocols.  Even though in CIO we have been working on the conciliation between work and life, we have focused on creating specific protocols to improve these procedures in order to achieve better levels of satisfaction.						

SATISFACTORY   
 IMPROVABLE   
 UNSATISFACTORY



## COMMITMENTS TO OUR EMPLOYEES

### COMMITMENT 3

3. Establish communication protocols between employees-businesses, identifying and defining channels and managers.

Every impulse to strengthen communication with our employees is territory gained in achieving a better understanding of their needs. This is why, we will work hard in identifying the most appropriate channels and resources.


### COMMITMENT 4

4. Periodic analysis of the working environment and action taking.

While it is true that this type of analysis is already built into our processes, we are aware that we need to improve on this: we need tools that facilitate effective performance monitoring in order to be able to track, correct and analyze the evolution.


### COMMITMENT 5

5. Analyzing and improving prevention results.

This aspect is mandatory and basic to our company, which is why this is a priority, especially given our desire to be sector leaders when it comes to Social Responsibility.


## COMMITMENTS TO OUR CUSTOMERS

Together with our employees, they are the main prescribers of the values of our company.

In fact, it's in our corporate DNA as one of our core company values. If their opinion is contrary to what we propose in our principles, we're doing something wrong.

### COMMITMENT 1

1. To better understand our customers' expectations, so we can more effectively satisfy their needs.

It is an essential commitment. It is our reason for being and it is what we work towards every day. It is prominent among our corporate values and, by not fulfilling it, we would be betraying the promise we make through our products and services.


### COMMITMENT 2

2. Strengthening communication channels with customers.

These ties will allow us to establish a more effective and fluid dialogue with our customers in order to better understand their needs and expectations, not only in reference to their satisfaction with the products and services we offer, but also with the social responsibility plan we are proposing.


SATISFACTORY IMPROVABLE UNSATISFACTORY



## COMMITMENTS TO OUR SUPPLIERS

The assurances with our suppliers are based on allocation practices that seek mutual interest and transparency, and to promote among them the principles underlying CIO's search of responsible behavior within our social and environmental surroundings.

### COMMITMENT 1

#### 1. Code of conduct for suppliers.

With the creation of a code of conduct, we ensure that our suppliers will exercise, in their business activity, respect for a series of fundamental principles. Principles which we comply with and we expect others to comply, and which have to be present between our suppliers and their environment, having particular importance for us employees, raw materials and the environment.


### COMMITMENT 2

#### 2. Environmental assessment of suppliers.

In the future, the result of an environmental assessment of our suppliers must provide a criterion for preference for those, which with equal conditions objectively demonstrate a higher commitment to the environment. CIO providers must comply with environmental legislation. The level of demand for our suppliers must be based on the environmental interaction of its activities.


SATISFACTORY IMPROVABLE UNSATISFACTORY

## COMMITMENTS TO THE ENVIRONMENT

As mentioned, CIO is deeply identified with the respect for the environment. To minimize the impact of our activities, we assume a number of commitments to the environment. These start with identifying and evaluating the environmental aspects in each of our businesses, plan actions which will reduce potential impacts, provide them with resources and evaluating them, as well as working with suppliers who are aligned with our goals. All under the umbrella of an environmental policy of CIO Group, who shared our responsibility and the principles of sustainable development.

### COMMITMENT 1

#### 1. Improving environmental management and the fight against climate change through the design of an environmental policy of the company.

The definition of an environmental policy signifies your agreement to the pledges at the highest managerial level, explicitly expressing the intentions and actions to be taken with regards to the environment and in particular, the commitment to meet all regulatory requirements, to develop a constant improvement and to use the necessary resources, when it is economically viable.


### COMMITMENT 2

#### 2. Identification and assessment of the environmental aspects most relevant to each of the companies within the group.

We base this point in the implementation of a tool that allows us to objectively identify and evaluate the activities, products or services that may lead to environmental impacts and repercussions. It is the foundation of any plan of action and a fundamental part of the environmental management of our company.




## COMPROMISOS CON EL MEDIO AMBIENTE

### COMMITMENT 3

3. Each of our businesses should have a plan of action and environmental internal audits.

The action plan of each company will set the roadmap and the audit plan is the tool, which will allow for continuous improvement.



### COMMITMENT 4

4. Initiatives to mitigate environmental impacts.

We will work to identify those initiatives of interest with whom we can collaborate and work together to help us mitigate our environmental impact or improve our environment, and extend these to the other companies in the group.



### COMMITMENT 5

5. Environmental assessment of suppliers.

It is important to involve suppliers and subcontractors in meeting our environmental requirements. As already mentioned, the level of demand from our suppliers must be based on the environmental interaction of its activities.



## COMMITMENTS TO THE LOCAL COMMUNITY

Social action is implicit in our corporate culture; it has been one of the areas with the most history within our CSR actions. Historically, CIO has shown its willingness to develop its activities in socially responsible scenarios. Nevertheless, and being aware of the efforts made so far in the social actions chapter, we want to continue to improve in this endeavour, for which we have set the following commitments:

### COMMITMENT 1

1. Increase by 5% our social action projects.

Not only will we match the number of initiatives in the field of social action developed during 2012, but we are committed to increase it by 5% in 2013.



### COMMITMENT 2

2. Defining policy and a social action program in line with our CSR goals.

Planning for future social action is a vital part in our CSR strategy. Its relevance requires us to develop a program that describes a set of actions, with the managers responsible and deadlines, and which takes into account the circumstances the company is under.



### COMMITMENT 3

3. Define a program that monitors the results of the actions taken.

It is necessary to have a procedure for monitoring and evaluation that allows us to make decisions that result in the improvement and optimization of the resources we spend on social projects.







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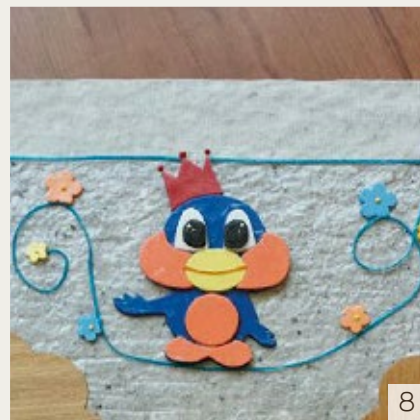
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PARTNERS AND SOLIDARY ACTIVITIES





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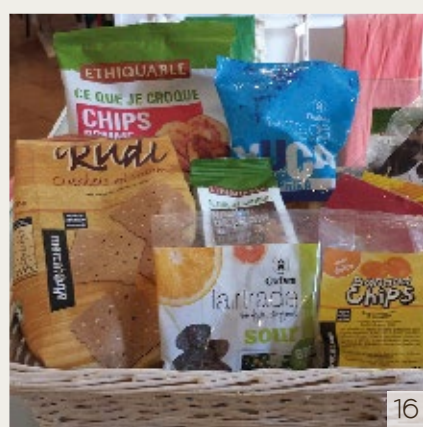
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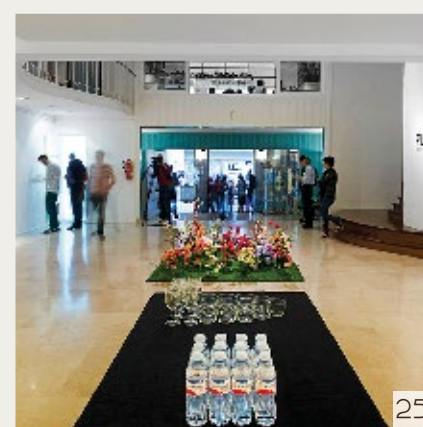
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Colabora con Cáritas en nuestro proyecto  
**Un gesto solidario**

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www.remar.org En 37 países. Desde hace 16 años en Tenerife  
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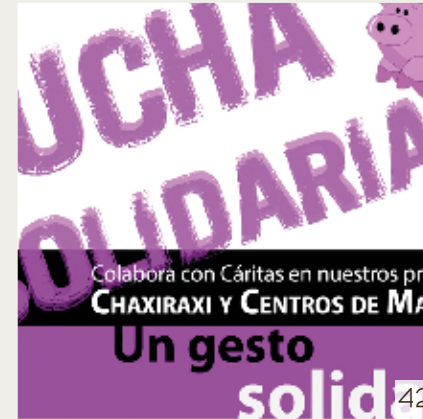
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Colabora con Cáritas en nuestros proyectos  
**CHAXIRAXI Y CENTROS DE MAYOR**  
**Un gesto solidario**

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SPORT ACTIVITIES

DONATIONS



1. Fuentealta label with the AECC – Fuentealta collaborates with the fight against cancer.
2. Signing of the collaboration agreement – AECC / Fuentealta.
3. Project hashtag Day Against Cancer - AECC / Fuentealta.
4. With the students of the Workshop Tejer Porvenir (knitting) for the search of employment – La Caixa / CIO: sponsor.
5. / 6. Earth Hour 2013 – WWF / Gran Hotel Bahía del Duque Resort.
7. Project Solidarity Piggy bank and sales of 2014 calendars – Trisónomicos 21 / Tasta el Callejón.
8. “Boxes with Duquito” – Association Trisómicos 21, Binding workshop / Gran Hotel Bahía del Duque Resort: sold in the drugstores.
9. Material prepared in the workshop Trisómicos 21 / Gran Hotel Bahía del Duque Resort: sold in the drugstores.
10. Talks “Volunteering to Corporate Volunteering” at the University of La Laguna / Grupo CIO.
11. Signing of the collaboration agreement – Nuevo Futuro / Fuentealta.
12. Corporate Volunteering – Nuevo Futuro / Fuentealta.
13. Map of sponsorships – Action Aid / Gran Hotel Bahía del Duque Resort.
14. CSR trip to Perú with Action Aid / Gran Hotel Bahía del Duque Resort.
15. Sponsored child Ismael Prieto – Action Aid / Grupo CIO employees.
16. Snacks El Surco - Fair Trade / Gran Hotel Bahía del Duque Resort: sold in the hotel drugstores.
17. Bookcases made by the Afanias Association - Down Syndrome / Gran Hotel Bahía del Duque Resort: Sold in the drugstores.
18. Members of the CSR Committee of CIO in the facilities of Ewaste and the Foundation Canaries Recycle.
19. Fuentealta 2013 Calendar “Transmite” – Promotion of canarian artists.
20. Tenerife Design Festival. Pechakucha Night – Fuentealta: sponsor and official water.
21. Tenerife Design Festival – Fuentealta: sponsor and official water.
22. 40 years of Sculpture in the street – Fuentealta: Cultural sponsorship.
23. / 24. “Instagram contest #yourfavouritecorner” - Fuentealta.
25. Exhibition “Plastico” – Fuentealta: Official water.
26. Canaries Surf Film Festival – Fuentealta: Sponsor and official water.
27. Music festival Keroxen – Fuentealta: collaboration.
28. Tenerife Football Club – Fuentealta: official water.
29. Cross María Auxiliadora – Fuentealta: sponsor and official water.
30. Marlins Sports Club Puerto Cruz - Fuentealta: official water.
31. / 32. / 33. I Tennis Tournament Raquetas Solidarias – Guardianship Foundation Sonsoles Soriano / Grupo CIO.
34. Runspiral 2013 – Canary Islands Challenge - Fuentealta: official water.
35. Il Paddle Tennis Tournament – Fuentealta: Sponsor.
36. Iberostar Tenerife – Fuentealta: official water.
37. Collection of toys and household belongings – Cáritas / Grupo CIO.
38. Collection of food items – Bancoteide / Grupo CIO employees.
39. Advertising Poster - Remar / Grupo CIO: promoting amongst our employees.
40. / 41. Solidarity Marathons 2013 – Mirame TV / Fuentealta: donation of water.
42. Project Solidarity Piggy Bank – Cáritas / Grupo CIO.
43. / 44. “Giving hope, food collection campaign” - Channel 7 / CIO and Fuentealta donation on behalf of the employees.
45. Charity market – Amigos de Vitolo / Gran Hotel Bahía del Duque Resort.





CIO • Compañía de las Islas Occidentales

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